

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Special Termination Costs for NPIC

STAT
STAT

FROM:

D/NPIC

EXTENSION

NO.

DATE

STAT
STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Secretariat
7E12 Hqtrs.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

ER
File
Kos's

DCI
EXEC
REG

6101

Executive Reg.

82-12403

7 OCT 1982

NOTE FOR: Executive Director

FROM: Daniel A. Childs, Jr.
Comptroller

1. The attached proposal would adopt a "special termination clause" in contractual efforts associated with the NPIC upgrade. In effect, this would permit the use of total funding under the contract for actual work [redacted] rather than setting aside specific amounts against a potential termination liability, which is normally the case. We are, in essence, creating a contingent liability which the Agency would be required to honor should the contract be terminated before completion. We understand there are a couple similar NPIC proposals with a total potential liability of [redacted]. Such contractual arrangements are fairly standard procedure in the Department of Defense but have been used rarely, if at all, in the Agency.

STAT

STAT

2. We also understand NPIC is hard pressed to accommodate their planned upgrade requirements within planned 1983/1984 funding levels and the contractual approach suggested would help ease this burden. We have examined this proposal very carefully with Finance, Logistics, and OGC and believe the risks are minimal and, in any case, are manageable. We, therefore, recommend your approval. As an aside, I intend to advise Logistics to ensure appropriate procedures are in place so we can be assured any similar proposals will come forward for your review and approval.

STAT

[redacted]
Daniel A. Childs, Jr.

DCI
EXEC
REG

COMPT 82-1174

NPIC/D-354-82

MEMORANDUM FOR: Executive Director, CIA

THROUGH : Chief, Procurement Management Staff, DDS&T
Deputy Director for Science and Technology
Comptroller

FROM : R. P. Hazzard
Director, National Photographic Interpretation Center

SUBJECT : Special Termination Costs for NPIC STAT
 STAT

1. Pursuant to Defense Acquisition Regulation (DAR) 8-712, it is requested that approval be granted to include in the subject contract the Special Termination Costs Clause, DAR 7-108.3. This clause authorizes the contractor to not include in his estimate of costs incurred or to be incurred any amount for special termination costs (as defined in the clause). The inclusion of this clause in the subject contract is required in order to maintain the NPIC Development Program within the approved appropriation and prevent potential schedule impact.

2. Attached is a chart which reflects the maximum termination liability by Government fiscal year pertinent to the subject contract. Should there be any substantial changes to these figures during the contract period of performance, they will be brought to your attention.

Attachment:
As stated

for R. P. HAZZARD



SUBJECT : Special Termination Costs for NPIC/DPG Data and Control
Segment, Contract 82-B763800-000, Martin Marietta Corporation

CONCUR:

Chief, Procurement Management Staff, DDS&T

9/14/82
Date

STAT

for Deputy Director for Science and Technology

24 SEP 1982
Date

STAT

Comptroller

7 OCT 1982
Date

STAT

APPROVED:

Executive Director, CIA

12 OCT 1982
Date

STAT

Distribution:

Original - Addressee, w/att. (to be returned to NPIC/

- 1 - Executive Director, CIA, w/att.
- 1 - Executive Secretariat, w/att.
- 1 - DDS&T, w/att.
- 1 - Comptroller, w/att.
- 1 - C/PMS/DDS&T, w/att.
- 2 - D/NPIC, w/att.
- 1 - NPIC, w/att.

STAT

STAT

Page Denied

Next 1 Page(s) In Document Denied